



Applaa ACCA Practice Mock 204

Mock Practice Exam Booklet

Applaa: Socratic Practice Engine

Submit and grade your answers online for instant worked solutions:

<https://applaa.com/practice/check?exam=acca&paper=204>

Instructions & Study Method

Welcome to your Applaa offline practice booklet. Please follow these guidelines to maximize your learning outcome:

- 1. Distraction-Free Practice:** Solve the multiple-choice questions in Section 1 under timed conditions. Do not look for shortcuts or answers until you are completely done.
- 2. Check & Submit Online:** We have intentionally excluded the answer key from this printout. To get your score, see worked solutions, and track your progress metrics, open: <https://applaa.com/practice/check?exam=acca&paper;=204> on any browser. Bubble in your answers in our digital check sheet.
- 3. Learn with Appy Buddy (AI Socratic Tutor):** Applaa is a 100% ad-free educational space. Our online AI Tutor guides you step-by-step through questions you get wrong, showing you how to solve them rather than just giving you the answer.

■ SUPERCHARGE YOUR STUDIES WITH APPLAA DESKTOP APP

Tired of printing PDFs and manual grading? Download the **Applaa Desktop Application**. It includes interactive exam mocks, real-time pacing stats, auto-grading, and personalized Socratic AI support. Get a **14-day free trial** of our premium preparation package to track your progress rate.

Download: <https://applaa.com/download>

Section 1: Practice Questions

Question 1 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Omega Foodstuffs plc was £120,000. An error was discovered: Closing inventory was overstated by £7,200. What is the revised profit after correcting this error?

- A: £127,200
- B: £112,800
- C: £120,000 (no effect on profit)
- D: £105,600

Question 2 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Atlas Transport Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £250. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £125 was completely omitted from the books.
- B: A cash payment of £125 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £125 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £125 was debited to the Purchase Returns account and credited to Receivables Control.

Question 3 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Alpha Properties Ltd paid rent of £25,200. At the year-end, the company had an outstanding electricity invoice of £2,100 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £2,100, Credit Electricity Expense £2,100
- B: Debit Electricity Expense £2,100, Credit Accruals (Liabilities) £2,100
- C: Debit Cash £2,100, Credit Electricity Expense £2,100
- D: Debit Electricity Expense £2,100, Credit Prepayments (Assets) £2,100

Question 4 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Zephyr Services LLP prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £450. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £225 was completely omitted from the books.
- B: A cash payment of £225 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £225 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £225 was debited to the Purchase Returns account and credited to Receivables Control.

Question 5 — [Financial Accounting / VAT Computations]

For the last quarter, Omega Foodstuffs plc had net credit sales of £24,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £14,400. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £2,400 Payable
- B: £2,400 Reclaimable
- C: £4,800 Payable
- D: £1,920 Payable

Question 6 — [Financial Accounting / VAT Computations]

A retail store, Falcon Engineering Ltd, purchased inventories for a gross total of £1,800 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Falcon Engineering Ltd?

- A: Net Cost: £1,500, VAT Recoverable: £300
- B: Net Cost: £1,800, VAT Recoverable: £360
- C: Net Cost: £1,440, VAT Recoverable: £360
- D: Net Cost: £1,500, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 7 — [Financial Accounting / VAT Computations]

Omega Foodstuffs plc purchased a motor car for £165,000 inclusive of VAT, for use by a director. The car is used 60% for business travel and 40% for private travel. What is the input VAT recovery rule regarding this vehicle?

- A: Input VAT can be recovered in full (100%).
- B: Input VAT can be recovered at 60% representing the business use portion.
- C: No input VAT can be recovered because input VAT is generally blocked on passenger motor cars unless used exclusively for business (0% recovery).
- D: Input VAT can be recovered in full if the car is leased rather than purchased.

Question 8 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Titan Steel plc is shown in the diagram. Credit sales of £11,000 were recorded, and cash of £8,800 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £7,700 Debit closing balance
- B: £7,700 Credit closing balance
- C: £16,500 Debit closing balance
- D: £8,800 Credit closing balance

Question 9 — [Financial Accounting / VAT Computations]

For the last quarter, Genesis Enterprises Ltd had net credit sales of £96,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £57,600. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £9,600 Payable
- B: £9,600 Reclaimable
- C: £19,200 Payable
- D: £7,680 Payable

Question 10 — [Financial Accounting / VAT Computations]

Solar Energy plc purchased a motor car for £84,000 inclusive of VAT, for use by a director. The car is used 60% for business travel and 40% for private travel. What is the input VAT recovery rule regarding this vehicle?

- A: Input VAT can be recovered in full (100%).
- B: Input VAT can be recovered at 60% representing the business use portion.
- C: No input VAT can be recovered because input VAT is generally blocked on passenger motor cars unless used exclusively for business (0% recovery).
- D: Input VAT can be recovered in full if the car is leased rather than purchased.

Question 11 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Solar Energy plc paid rent of £3,600. At the year-end, the company had an outstanding electricity invoice of £300 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £300, Credit Electricity Expense £300
- B: Debit Electricity Expense £300, Credit Accruals (Liabilities) £300
- C: Debit Cash £300, Credit Electricity Expense £300
- D: Debit Electricity Expense £300, Credit Prepayments (Assets) £300

Question 12 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Titan Steel plc took goods costing £4,800 from the business for personal use. These goods had a selling price of £7,200. What is the correct double entry to record this transaction?

- A: Debit Drawings £4,800, Credit Purchases £4,800
- B: Debit Drawings £7,200, Credit Revenue £7,200
- C: Debit Purchases £4,800, Credit Drawings £4,800
- D: Debit Inventory £4,800, Credit Drawings £4,800

Question 13 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Alpha Properties Ltd took goods costing £2,100 from the business for personal use. These goods had a selling price of £3,150. What is the correct double entry to record this transaction?

- A: Debit Drawings £2,100, Credit Purchases £2,100
- B: Debit Drawings £3,150, Credit Revenue £3,150
- C: Debit Purchases £2,100, Credit Drawings £2,100
- D: Debit Inventory £2,100, Credit Drawings £2,100

Question 14 — [Financial Accounting / VAT Computations]

For the last quarter, Omega Foodstuffs plc had net credit sales of £180,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £108,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £18,000 Payable
- B: £18,000 Reclaimable
- C: £36,000 Payable
- D: £14,400 Payable

Question 15 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Summit Manufacturing Ltd shows a credit balance of £7,200. Unpresented checks total £1,800, and outstanding uncleared lodgements total £900. What is the reconciled balance that should appear in Summit Manufacturing Ltd's cash book?

- A: £6,300
- B: £8,100
- C: £9,900
- D: £4,500

Question 16 — [Financial Accounting / VAT Computations]

Atlas Transport Ltd purchased a motor car for £250,000 inclusive of VAT, for use by a director. The car is used 60% for business travel and 40% for private travel. What is the input VAT recovery rule regarding this vehicle?

- A: Input VAT can be recovered in full (100%).
- B: Input VAT can be recovered at 60% representing the business use portion.
- C: No input VAT can be recovered because input VAT is generally blocked on passenger motor cars unless used exclusively for business (0% recovery).
- D: Input VAT can be recovered in full if the car is leased rather than purchased.

Question 17 — [Financial Accounting / VAT Computations]

A grocery distributor, Vanguard Retail Ltd, recorded net sales of £88,000 for standard-rate products (20% VAT) and £44,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £17,600
- B: £26,400
- C: £8,800
- D: £0 (all food products are exempt from output VAT)

Question 18 — [Financial Accounting / VAT Computations]

Vanguard Retail Ltd purchased a motor car for £180,000 inclusive of VAT, for use by a director. The car is used 60% for business travel and 40% for private travel. What is the input VAT recovery rule regarding this vehicle?

- A: Input VAT can be recovered in full (100%).
- B: Input VAT can be recovered at 60% representing the business use portion.
- C: No input VAT can be recovered because input VAT is generally blocked on passenger motor cars unless used exclusively for business (0% recovery).
- D: Input VAT can be recovered in full if the car is leased rather than purchased.

Question 19 — [Financial Accounting / VAT Computations]

A grocery distributor, Zephyr Services LLP, recorded net sales of £88,000 for standard-rate products (20% VAT) and £44,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £17,600
- B: £26,400
- C: £8,800
- D: £0 (all food products are exempt from output VAT)

Question 20 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Omega Foodstuffs plc paid rent of £12,600. At the year-end, the company had an outstanding electricity invoice of £1,050 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £1,050, Credit Electricity Expense £1,050
- B: Debit Electricity Expense £1,050, Credit Accruals (Liabilities) £1,050
- C: Debit Cash £1,050, Credit Electricity Expense £1,050
- D: Debit Electricity Expense £1,050, Credit Prepayments (Assets) £1,050

Submit Answers & Check worked Solutions

■ Section Complete!

You have completed this practice exam paper. To check your answers and view step-by-step worked explanations:

■ Go to: <https://applaa.com/practice/check?exam=acca&paper;=204>

Simply bubble in your choices (e.g. A, B, C, D) and get instantly scored! You can then review the explanations or chat with Appy Buddy (AI Socratic tutor) to understand complex concepts.